

AMENDED IN SENATE APRIL 1, 2014

**SENATE BILL**

**No. 1322**

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**Introduced by Senator Hernandez**

February 21, 2014

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An act to add ~~Section 14132.04 to the Welfare and Institutions Code, relating to Medi-Cal. Sections 127670 and 127671 to the Health and Safety Code, relating to health care.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1322, as amended, Hernandez. ~~Medi-Cal: preventive services: providers. California Health Care Quality Improvement and Cost Containment Commission.~~

*Existing law establishes health care coverage programs to provide health care to segments of the population meeting specified criteria who are otherwise unable to afford health care coverage and provides for the licensure and regulation of health insurers and health care service plans.*

*This bill would state the intent of the Legislature to make available valid performance information to encourage health care providers and facilities to provide care that is safe, medically effective, patient-centered, timely, efficient, and equitable. The bill would require the Governor to convene the California Health Care Quality Improvement and Cost Containment Commission and would specify the composition of the commission. The bill would require the commission to examine and address specified health care issues. The bill would require the commission to issue a report to the Legislature and the Governor, on or before July 1, 2015, or within 6 months of the commission being convened, whichever occurs later, making recommendations for health care quality improvement and cost*

*containment. The bill would provide that the commission not be convened until sufficient private or federal funds have been received and appropriated for that purpose.*

~~Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law provides for a schedule of benefits under the Medi-Cal program, which includes specified preventive services:~~

~~This bill would require the department to reimburse Medi-Cal providers for, and would require Medi-Cal managed care plans to cover, preventive services provided by a health care practitioner not subject to professional licensure by the state, that have been recommended by a physician or other licensed practitioner of healing arts acting within the scope of that physician's or practitioner's license. The bill would provide that this coverage is available only to the extent that federal financial participation in the cost of providing these services is available. The bill would require the department to convene a working group, as specified, to determine the types of health care practitioners eligible to provide preventive services pursuant to these provisions and to develop a summary of practitioner qualifications for those practitioners to be included in any state plan amendment necessary to implement these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 127670 is added to the Health and Safety  
2     Code, to be added to Chapter 8 (formerly commencing with Section  
3     127670) of Part 2 of Division 107, to read:  
4     127670. (a) It is the intent of the Legislature to make available  
5     valid performance information to encourage health care providers  
6     and facilities to provide care that is safe, medically effective,  
7     patient-centered, timely, efficient, and equitable. It is also the intent  
8     of the Legislature to put provider performance information into  
9     the hands of consumers and purchasers so that they are able to  
10    understand their financial liability and find the best quality and  
11    value.

1 (b) *It is the intent of the Legislature to encourage health care*  
2 *service plans, health insurers, and providers to develop innovative*  
3 *approaches, services, and programs that may have the potential*  
4 *to deliver health care that is both cost effective and responsive to*  
5 *the needs of enrollees.*

6 SEC. 2. *Section 127671 is added to the Health and Safety Code,*  
7 *to be added to Chapter 8 (formerly commencing with Section*  
8 *127670) of Part 2 of Division 107, to read:*

9 127671. (a) *The Governor shall convene the California Health*  
10 *Care Quality Improvement and Cost Containment Commission to*  
11 *research and recommend appropriate and timely strategies for*  
12 *promoting high-quality care and containing health care costs.*

13 (b) *The commission shall be composed of 13 members who are*  
14 *knowledgeable about the health care system and health care*  
15 *spending.*

16 (c) *The Governor shall appoint five members of the commission,*  
17 *the Senate Committee on Rules shall appoint three members, and*  
18 *the Speaker of the Assembly shall appoint three members. The*  
19 *membership shall be comprised of at least one of each of the*  
20 *following:*

21 (1) *A representative of California's business community.*

22 (2) *A representative from organized labor.*

23 (3) *A representative of consumers.*

24 (4) *A health care practitioner.*

25 (5) *A hospital industry representative.*

26 (6) *A representative of the health insurance industry.*

27 (7) *A representative of the legal community with expertise in*  
28 *health and ethics.*

29 (8) *A representative of persons with disabilities.*

30 (9) *A health care economist.*

31 (d) *The Secretary of the California Health and Human Services*  
32 *Agency and the Executive Director of Covered California shall*  
33 *serve as members of the commission.*

34 (e) *The Governor shall appoint the chairperson of the*  
35 *commission.*

36 (f) *The commission shall, on or before July 1, 2015, or within*  
37 *six months of the convening of the commission, whichever occurs*  
38 *later, issue a report to the Legislature and the Governor making*  
39 *recommendations for health care quality improvement and cost*

1 containment. The commission shall, at a minimum, examine and  
2 address the following issues:

3 (1) Assessing California health care needs and available  
4 resources.

5 (2) Containing the cost of health care services and coverage.

6 (3) Improving the quality of health care.

7 (4) Increasing the transparency of health care costs and the  
8 relative efficiency with which care is delivered.

9 (5) Use of disease management, wellness, prevention, and other  
10 innovative programs to keep people healthy while reducing costs  
11 and improving health outcomes.

12 (6) Consolidation of existing state programs to achieve  
13 efficiencies where possible.

14 (7) Efficient utilization of prescription drugs and technology.

15 (g) The commission established pursuant to this section shall  
16 not be convened until sufficient private or federal funds have been  
17 received and appropriated for that purpose.

18 ~~SECTION 1. (a) The Legislature finds and declares both of~~  
19 ~~the following:~~

20 ~~(1) Research suggests that 50 percent of a physician's time is~~  
21 ~~spent providing preventive care and screenings, much of which~~  
22 ~~can be provided by other health care practitioners.~~

23 ~~(2) On July 15, 2013, the Centers for Medicare and Medicaid~~  
24 ~~Services released an update to federal Medicaid regulations that~~  
25 ~~permits state Medicaid programs to reimburse for preventive~~  
26 ~~services recommended by a physician or other licensed health care~~  
27 ~~practitioner.~~

28 ~~(b) It is the intent of the Legislature in enacting this act to~~  
29 ~~maximize federal funds to provide critical preventive services to~~  
30 ~~Medi-Cal beneficiaries by amending state law to reflect the July~~  
31 ~~15, 2013, update to federal Medicaid regulations.~~

32 ~~SEC. 2. Section 14132.04 is added to the Welfare and~~  
33 ~~Institutions Code, to read:~~

34 ~~14132.04. (a) (1) The department shall reimburse Medi-Cal~~  
35 ~~providers for preventive services, as defined in Section 440.130(e)~~  
36 ~~of Title 42 of the Code of Federal Regulations, provided by a health~~  
37 ~~care practitioner not subject to professional licensure by the state,~~  
38 ~~including, but not limited to, a community health worker, that have~~  
39 ~~been recommended by a physician or other licensed practitioner~~

1 of healing arts acting within the scope of that physician's or  
2 practitioner's license.

3 (2) ~~Medi-Cal managed care plans shall cover preventive~~  
4 ~~services, as defined in Section 440.130(e) of Title 42 of the Code~~  
5 ~~of Federal Regulations, provided by a health care practitioner not~~  
6 ~~subject to professional licensure by the state, including, but not~~  
7 ~~limited to, a community health worker, that have been~~  
8 ~~recommended by a physician or other licensed practitioner of~~  
9 ~~healing arts acting within the scope of that physician's or~~  
10 ~~practitioner's license.~~

11 (3) ~~Coverage for preventive services pursuant to this section~~  
12 ~~shall be available only to the extent that federal financial~~  
13 ~~participation in the cost of providing these services is available.~~

14 (b) ~~By June 30, 2015, the department shall convene a working~~  
15 ~~group to determine the types of health care practitioners eligible~~  
16 ~~to provide preventive services pursuant to this section and the~~  
17 ~~summary of qualifications for those practitioners to be included~~  
18 ~~in any state plan amendment that may be necessary to implement~~  
19 ~~this section. The working group shall include representatives from~~  
20 ~~consumer advocacy groups, community health worker~~  
21 ~~organizations, community clinics, physicians' groups, and health~~  
22 ~~plans. The summary of practitioner qualifications shall reflect~~  
23 ~~widely supported perspectives.~~